

**January 21, 2015**

<b>Facilities</b>	<b>Amount (Rs. Crore)</b>	<b>Rating</b>
<b>Cash Credit</b>	<b>3.50</b>	<b>SMERA C (Assigned)</b>
<b>Term Loan</b>	<b>4.50</b>	<b>SMERA C (Assigned)</b>

SMERA has assigned a long-term rating of '**SMERA C** (read as **SMERA C**) to the abovementioned bank facilities of Pilkhuwa Water Proofing Company Private Limited (PWPCPL). The rating is primarily constrained by the company's weak financial profile and modest-scale operations in a highly competitive and fragmented segment of the textile industry. The aforementioned weaknesses are partially offset by the company's experienced management.

PWPCPL, established in 1987, is a Ghaziabad-based company engaged in manufacturing of waterproof tarpaulin, canvas tents, canvas cloth and cotton bags. PWPCPL also undertakes trading of cotton yarn. The company's weak financial profile is marked by high gearing (debt-equity ratio) of 3.09 times as on March 31, 2014 and moderate interest coverage ratio of 1.40 times in FY2013-14 (refers to financial year, April 01 to March 31). PWPCPL's debt service coverage ratio (DSCR) is low at 0.61 times in FY2013-14. The company reported net loss of Rs.1.02 crore in FY2013-14, as compared with net loss of Rs.0.31 crore in the previous year. PWPCPL has modest-scale operations with revenue of Rs.25.88 crore in FY2013-14. The company faces intense competition from several players in the textile industry.

PWPCPL benefits from its experienced management. The promoters of the company have around two decades of experience in the textile industry.

#### **About the company**

PWPCPL, established in 1987, is a Ghaziabad-based company promoted by Mr. Raj Kumar Singhal, Mr. Anuj Kumar Singhal and Mr. Anant Kumar Singhal. PWPCPL manufactures waterproof tarpaulin, canvas tents, canvas cloth and cotton bags. The company also undertakes trading of cotton yarn. PWPCPL caters to government agencies.

For FY2013-14, PWPCPL reported net loss of Rs.1.02 crore on operating income of Rs.25.88 crore, as compared with net loss of Rs.0.13 crore on operating income of Rs.20.85 crore in FY2012-13. The company's net worth stood at Rs.4.25 crore as on March 31, 2014, as compared with Rs.4.98 crore a year earlier.

**Disclaimer:** A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.

**Contact List:**

<b>Media/Business Development</b>	<b>Analytical Contacts</b>	<b>Rating Desk</b>
Virendra Goyal Vice President – SME Sales Tel: +91-22-6714 1177 Cell: +91 9930074009 Email: <a href="mailto:virendra.goyal@smera.in">virendra.goyal@smera.in</a> Web: <a href="http://www.smera.in">www.smera.in</a>	Ashutosh Satsangi Vice President – Operations Tel: +91-22-6714 1107 Email: <a href="mailto:ashutosh.satsangi@smera.in">ashutosh.satsangi@smera.in</a>	Tel: +91-22-6714 1170 Email: <a href="mailto:ratingdesk@smera.in">ratingdesk@smera.in</a>

**Disclaimer:** A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.